



BOARD OF DIRECTORS MEETING

November 8, 2018

3:00 PM

NFE 2107

AGENDA

1. Call to order
2. Approval of Minutes of September 26, 2018 Meeting
3. Finance Committee
 - Lease for Air Liquide Electronics US LP
4. New Business
5. Public Comment
6. Next Board of Directors meeting: TBD
7. Adjournment



**Fuller Road Management Corporation
Meeting of the Board of Directors
September 26, 2018 – CNSE Nano Fab East Conference Room 2107**

Minutes

Directors present: Michael Frame, Kristin Proud, Robert Blackman, Franklin Hecht, Ken Tompkins, and Michael Breslin.

Staff: Douglas Grose – President, Scott Bateman – Acting Treasurer, Cheryl Casey-Rose, Patricia Bucklin.

Guests: Kevin Younis – ESD, Emily Kunchala– RF SUNY, Robert Geer – SUNY Poly Foundation.

1. Call to order: Chair Michael Frame called the meeting of the Board of Directors of Fuller Road Management Corporation (FRMC) to order at 2:02 PM. Chair Frame welcomed Kevin Younis of ESD, Emily Kunchala of the Research Foundation, and Robert Geer of the SUNY Poly Foundation. The Directors were asked if they had any potential conflict of interest with respect to items on today's agenda, and if so, to disclose it.
 - Chair Frame stated: Due to my position as COO of SUNY Polytechnic Institute, I am recusing myself from the agenda item regarding the food services agreement given its connection to the campus student population. I don't think this an actual conflict but out of an abundance of caution will recuse myself on this agenda item.
 - There were no other potential conflicts of interest.
2. Approval of June 27, 2018 meeting minutes.

Chair Frame asked for a motion to approve the minutes as presented.
Motion: Kristin Proud
Second: Franklin Hecht

Ayes: 6, Nays: 0, Abstentions: 0.
There was no discussion and the minutes were unanimously approved as presented.
3. Finance Committee Report – Chair Frame
 - Resolution 153 – Authorization for President to Form Advisory Bodies

Chair Frame asked for a motion to consider approval of Resolution 153

Motion: Michael Breslin
Second: Robert Blackman

FRMC seeks authorization for the President to form and terminate advisory bodies from time to time as the President deems appropriate in order to assist the President and staff with business strategies and guidance on emerging technology ideas, markets and partnerships that would further FRMC's mission.

These advisory bodies would be comprised, by invitation of the President, of volunteers from academic institutions, public entities and high-tech companies.

Such advisory bodies will not be given access to any confidential or proprietary information of FRMC and will not be provided the power to act on behalf of or represent FRMC in any manner.

The FRMC Finance Committee approved Resolution No. 153 authorizing the President to form and terminate advisory bodies from time to time as the President may deem appropriate for the sole purpose of receiving advice and guidance, and recommending that the Board approve the same.

Requested Action:

Approve Resolution No. 153 authorizing the President to form and terminate advisory bodies from time to time as the President may deem appropriate for the sole purpose of receiving advice and guidance.

Discussion or questions: Douglas Grose: It's an important step to help with broadening the ideas available to us and we can look out over the horizons in terms of where we can take FRMC to new areas that are adjacent to, or a part of the mission. Michael Breslin commented that he thinks it's a great idea because it will establish a body that encourages people from the community to step forward and participate and they will rise together. Robert Blackman stated that he feels it elevates the image for everything going on here.

Chair Frame asked for a vote to approve Resolution 153.

Vote:

Ayes: 6

Nays: 0

Abstentions: 0

Resolution 153 was passed unanimously.

- Approval of Contract Amendment with Chartwells – Kristin Proud

FRMC and Compass Group USA, Inc. ("Chartwells") entered into an agreement in 2014 pursuant to which Chartwells would have the exclusive right to provide food and catering services on the Albany Nanotech Campus. This agreement is due to expire on April 30, 2019.

Chartwells has advised FRMC that it would not be able to continue operations on the campus without financial modifications to the agreement due to ongoing losses from its on campus service locations.

The parties began discussions in an effort to modify the contract such that it would be financially feasible for Chartwells to extend its period of service and to avoid any sudden corresponding interruption to the food services provided to the campus population.

Subject to the execution of a definitive amendment acceptable to both parties. FRMC and Chartwells have preliminarily agreed to make the modifications included in the materials provided to Board members , which include: extension of the contract term; changes in café hours, cancellation provisions, commission terms and amortization; and involve a payment of \$55,000 by FRMC in respect of losses incurred by Chartwells. In addition, upon execution of the amendment, any notices of termination previously issued by Chartwells will be rescinded. Chartwells will also provide FRMC with monthly reports on finances and marketing efforts and other initiatives to reduce costs and generate additional income.

The Finance Committee approved a resolution authorizing the President and/or Acting Treasurer to enter into a contract amendment with Chartwells on the terms stated in the materials provided to Board members and to take any and all actions necessary and appropriate to effectuate such actions, and recommending that the Board approve the same actions.

Requested Action:

Approve a resolution authorizing the President and/or Acting Treasurer to enter into a contract amendment with Chartwells on the terms stated in the materials provided to Board members, and to take all actions necessary and appropriate to effectuate such action.

Discussion:

Ms. Proud reiterated that while this is not an ideal situation it is imperative that we get Chartwells to continue providing food service so that the campus population has the ability to obtain food services since it has been accustomed to doing since 2014.

Motion: Kenneth Tompkins

Second: Franklin Hecht

Vote:

Ayes: 5

Nays: 0

Abstentions: Chair Frame abstains

Motion to approve resolution authorizing the President and/or Acting Treasurer to enter into a contract amendment with Chartwells on the terms stated in the materials provided to Board members, and to take all actions necessary and appropriate to effectuate such action was passed.

- Approval of a Lease Amendment with New York Wired, LLC – Chair Frame
 - Chair Frame asked for a motion to consider approval of a lease amendment with New York Wired, LLC

Motion: Michael Breslin
Second: Franklin Hecht

New York Wired, LLC currently leases 419 square feet of office space on the 1st floor of CESTM, which it has occupied since September 2013.

Its lease expired on August 31, 2018 and it seeks an extension of the lease for one year.

Proposed rent is \$41.60 square foot, including utilities and parking, which is a 3% increase from the previous year.

The proposed lease represents a small fraction of the total building; therefore an appraisal of the fair market value of the asset is not practical. Staff has determined that the lease meets fair market value based on other existing leases in the building and comparison to other local real estate.

The Finance Committee adopted a resolution authorizing the President and/or Acting Treasurer to approve a lease amendment with New York Wired, LLC for a one year extension of their lease at \$41.60 square foot, and recommending that the Board adopt a similar resolution.

Requested Action:

Approve a resolution authorizing the President and/or Acting Treasurer to approve a lease amendment with New York Wired, LLC for a one year extension of their lease at \$41.60 sq. ft.

Discussion or questions: None

Motion to approve: Michael Breslin
Second: Franklin Hecht

Vote:
Ayes: 6

Nays: 0
Abstentions: 0

The resolution to authorize the President or Acting Treasurer to approve the lease amendment with New York Wired, LLC was approved.

- Approval of a Lease Amendment with Park Systems Inc. – Chair Frame

Motion: Robert Blackman
Second: Franklin Hecht

Park Systems Inc., a company that specializes in atomic force microscopy, leased 2899 square feet of space in Nano Fab East in 2017 for 5 years. The company now seeks to lease an additional 230 square feet of office space that will be used primarily for equipment storage.

Proposed rent is \$35 square foot with 1% yearly escalations. The tenant will pay for fit-up costs.

The proposed lease amendment represents a small fraction of the total building therefor an appraisal of the fair market value of the asset is not practical. Staff has determined that lease meets fair market value based on other existing leases in the building.

The Finance Committee approved a resolution authorizing the President and/or Acting Treasurer to approve a lease amendment with Park Systems, Inc. for 230 sq. ft. of additional space at \$35 square foot, and recommending that the Board adopt a similar resolution.

Requested Action:

Approve a resolution authorizing the President and/or Acting Treasurer to approve a lease amendment with Park Systems, Inc. on the terms described above.

Questions or discussion: none.

Motion to approve: Kenneth Tompkins
Second: Franklin Hecht

Vote:
Ayes: 6
Nays: 0
Abstentions: 0

The resolution to authorize the President or Acting Treasurer to approve a lease amendment with Park Systems was approved.

4. Audit Committee Report – Kristin Proud

- Authorization to Engage Auditor
- Ms. Proud asked for a motion to consider authorization to engage KPMG for audit and review of tax filings

Motion: Robert Blackman

Second: Michael Breslin

Section 5 of Article VII of the Bylaws of FRMC provides that “[t]he financial records and accounts of the Corporation shall be audited annually, or at such other times as directed by the Board of Directors, by a certified public accountant accounting firm designated for the purpose by the Board of Directors.”

FRMC seeks authorization to engage KPMG to audit its financial statements and review its tax filings for the year ending June 30, 2018. The tax filings include IRS Form 990 and NY CHAR 500.

KPMG has performed the FRMC audit and reviewed its tax filings for over 10 years. Given KPMG’s work on and familiarity with FRMC’s finances and tax filings, which cover the same time period, KPMG has the unique knowledge and ability to perform the needed review in a thorough and expeditious manner.

FRMC seeks to engage KPMG based on a single source justification to conduct its audit and review its tax filings for the year ending June 30, 2018. The base fee for the audit includes a 3% increase from the prior year and the fee for review of the tax filings includes a 3.56% increase from last year.

The Audit Committee approved a resolution (1) approving the engagement of KPMG to audit FRMC’s financial statements and review its tax filings for the year ending June 30, 2018, (2) authorizing the President and/or Acting Treasurer to take any and all actions necessary and appropriate to effectuate such action, and (3) recommending that the Board approve the foregoing actions.

Requested Action:

Ms. Proud asked for a motion for approval of a resolution approving the engagement of KPMG to audit FRMC’s financial statements and review its tax filings for the year ending June 30, 2018 and authorizing the President and/or Acting Treasurer to take any and all actions necessary and appropriate to effectuate such action.

Motion: Robert Blackman
Second: Michael Frame

Discussion: none.

Vote:
Ayes: 6
Nays: 0
Abstentions: 0

- Franklin Hecht asked that it be noted on the record that next year we recommend that staff re-bid this contract.

5. New Business: None

6. Public Comment: None

7. Next Board of Directors meeting: TBD

8. Adjournment: With no further business to come before the Board, Chair Frame asked for a motion to adjourn. Michael Breslin moved to adjourn and Franklin Hecht seconded. The meeting was adjourned at 2:17 PM.

Respectfully Submitted,

Michael Frame
Chair

To: Fuller Road Management Corporation Board of Directors

Re: Proposed Amended and Restated Lease - AIR LIQUIDE ELECTRONICS U.S. LP

- 1) **Description of Property:** 253 Fuller Road, Albany, NY; CESTM and NanoFab North Building.
- 2) **Tenant:** AIR LIQUIDE ELECTRONICS U.S. LP (“Air Liquide”) provides gas and chemical maintenance for the cleanrooms. Air Liquide currently leases 565 square feet in CESTM pursuant to a five year lease executed in 2009 and extended annually through five amendments to September 30, 2018. Air Liquide now seeks to continue leasing its current space and to lease an additional 222 square feet of office space in NanoFab North.
- 3) **Lease Terms:** FSMC seeks approval to execute an Amended and Restated Lease covering the current 565 square feet of space in CESTM and an additional 222 square feet of space in NanoFab North. The tenant will pay \$46.61 square foot, which is a 3% escalation from the current lease, for all the space.
- 4) **Fair Market Value:** The proposed lease represents a small fraction of the total building; therefor an appraisal of the fair market value of the asset is not practical. Staff has determined that the lease meets fair market value based on other existing leases in the building.
- 5) **Associated Costs for Site Preparation:** No additional costs will be incurred.
- 6) **Associated Costs of Lease:** The above lease rate includes utilities and operating expenses.
- 7) **Finance Committee:** The Finance Committee adopted a resolution authorizing the President and/or Acting Treasurer to approve an Amended and Restated Lease with AIR LIQUIDE ELECTRONICS U.S. LP on the terms described above, and recommending that the Board approve the same action.
- 8) **Action Required:** Approve a resolution authorizing approval of an Amended and Restated Lease with AIR LIQUIDE ELECTRONICS U.S. LP for the space described above.